THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM). (a) and (b) VAT is a tax intended to replace the State Sales Tax. Hence, it is a State subject. The revenue generated from it will be collected and retained by the State Governments. The Central Government is only playing the role of facilitator in this tax reform process.

(c) Yes, Sir.

(d) and (e) At present, Central Sales Tax @ 4 per cent is levied on inter-State sale of goods. A Tax Information Exchange System to track the movement of goods is being put in place, which is a pre-requisite for phasing out the Central Sales Tax. As it is expected that the Tax Information Exchange System shall be operational only after some time, it was decided in the meeting of the Empowered Committee of State Finance Ministers held on 2nd November, 2004 that the Central Sales Tax would continue, as at present, during 2005-06 and that the Empowered Committee would review the position next year and advise the Central Government on this matter.

Share of States in Central allocations

4229. MS. PRAMILA BOHIDAR:
SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the total outgo to States as a result of the recommendations of 12th Finance Commission would be around Rs. 30,000 crores a year;

(b) if so, the share of Orissa per annum;

(c) whether it is also a fact that the Centre proposes to do away with the loans to the States and allow them to go in for market borrowings; and

(d) if so, brief details of their recommendations in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The year-wise estimated total transfers recommended by 12th Finance Commission for its award period 2005—10 to all the States and to the State of Orissa are as under:—

Year	All States (Rs. in cr.)	Orissa (Rs. in cr.)
2005-06	117250.40	5714.74
2006-07	134019.03	6446.70
2007-08	149458.07	7259.78
2008-09	166981.73	8207.51
2009-10	188042.39	9314.04
TOTAL:	755751.62	36942.77

(c) The Government of India, accepting recommendations of the Twelfth Finance Commission, has decided to allow the States to raise the loan portion of the Central Assistance for their plans directly.

(d) Commission has recommended that Centre should release only grant portion of the Central Assistance for State Plan and leave it to the States to raise loan portion from any source for fiscally weak States, unable to raise loans from market, the Centre may act as a financial intermediary but without any subsidization of cost.

Unearthing black money

4230. SHRILALIT KISHORE CHATURVEDI:

SHRI K. RAMA MOHANA RAO:

SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the High powered Committee set up by him last year suggested solutions to draw money from black to white;

(b) what is the difference between the Voluntary Disclosure of Income Scheme and the recommendations made by the above High Powered Committee;

(c) whether it is also a fact that the Committee has also suggested to charge interest on each year of income concealed;

(d) whether it is also a fact that Government are considering to issue zero per cent Interest Bond Scheme to unearth black money; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.